

ENVIRONMENTAL ASSESSMENT AND RECLASSIFICATION CAPABILITY INVENTORY

Project Name: Lease 921 Reclassification to Grazing Land	Proposed Implementation Date: Spring of 2021
Proponent: Underdahl Ranch / Ratzburg Livestock and Grain (Lessee)	
Project Description: <p>The Lessee proposes the reclassification of the agricultural acres on state land lease no. 921 located in Section 36, Township 30N., Range 3E., in Toole County, MT, to grazing acres, referred herein as the "Project". See Attachment A - Project Location Map.</p> <p>Lease no. 921 entered into a Conservation Reserve Program (CRP) contract in 2009 (contract no. 10007A) and expired on 9/30/2020; the Lessee is proposing to convert the CRP acres into grazing acres. Per Administrative Rule of Montana (ARM) 36.25.108 (2) The department shall classify and reclassify land in accordance with its capability to support a particular use.</p> <p>The purpose of the conversion from CRP acres to grazing is due to the expired contract and to increase the overall revenue on lease no. 921 for the Common Schools Trust while maintaining the Department of Natural Resources and Conservation (DNRC) land sustainability goals. The Project is expected to occur in the Spring of 2021.</p>	
Type of Reclassification: FROM: <input type="checkbox"/> Grazing <input type="checkbox"/> Timber <input checked="" type="checkbox"/> Ag <input type="checkbox"/> Other TO: <input checked="" type="checkbox"/> Grazing <input type="checkbox"/> Timber <input type="checkbox"/> Ag <input type="checkbox"/> Other ACRES: 517.37	
Location: Sec. 36, T30N., R3E.	County: Toole

I. PROJECT DEVELOPMENT	
1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project.	The Lessee, Underdahl Ranch / Ratzburg Livestock and Grain is the proponent. Agencies involved in the Project include Montana Fish, Wildlife, and Parks (FWP) and the DNRC, Trust Lands Management Division.
2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:	The DNRC is not aware of any other permits required for the Project on state land described as ALL, Sec. 36, T30N., R3E.
3. ALTERNATIVES CONSIDERED:	<p>Alternative A (Proposed Action): Grant the reclassification request and convert 517.37 acres of agricultural land (Class 3) to grazing land (Class 1).</p> <p>Alternative B (No Action): Deny the reclassification request.</p> <p>Alternative C (Convert to Agricultural Land): Deny the reclassification request and put land into agricultural grain production.</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

RESOURCE	[Y/N] POTENTIAL IMPACTS N = Not Present or No Impact will occur. Y = Impacts may occur (explain below) <i>LAND CAPABILITY CHARACTERISTICS</i>
<p>4. GEOLOGY, SOILS AND MINERALS:</p> <p>Are fragile, compactible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations? Are there any mineral characteristics and how would reclassification impact development? If any lands are proposed for breaking, what are the soil types & capability classes, texture, "T" factor, Wind Erodibility Group (WEG), and slopes? What crops will be grown and what are their potential yields? Will there be any mitigation measures implemented to address identified soil limitations?</p>	<p>[Y] There are 13 soil types found within the Project footprint. The NRCS Web Soil Survey (WSS) indicated that app. 42.21% of Project soils are Fragile, 10.86% are Moderately Fragile, and 46.93% are Not Rated. The WSS also indicated that app. 56.71% of Project soils are moderately susceptible to compaction and 43.29% are highly susceptible. See Attachment B, Soil Characteristics.</p> <p>Project cattle grazing activities have the potential to impact soils through compaction, however, the DNRC sets the Animal Unit Months (AUMs) based on the quality of the range condition with consideration of the soil limitations. Per Administrative Rule of Montana (ARM) 36.25.121(1) and management of the land in a husband-like manner, it is not expected that the Project, Alternative A, would result in negative cumulative impacts to soils.</p> <p>When looking at the soil capability for crop production the NRCS WSS survey indicated that app. 5.00% of Project soils are considered Not Prime Farmland, 23.77% are considered Prime Farmland if Irrigated and 71.23% are considered Farmland of Statewide Importance¹. The NRCS WSS indicated that 9.06% of Project soils contain between 1 & 25 % sand, 33.94% contain between 25 & 50 % sand, 57.00% contain between 50 & 75 % sand, and 0% contain between 75 & 100 % sand. The NRCS WSS indicated that 80.52% of Project soils have a T Factor rating of 5 and 19.48% have a rating of 3. The NRCS WSS indicated that 65.29% of Project Soils have a WEG rating of 6, 7.48% have a rating of 4L, and 27.23% have a rating of 3. See Attachment B, Soil Characteristics. In addition, a review of the crop production history, before lease no. 921 entered into a CRP contract in 2009, the average rate of return from 2003 to 2008 was \$7.15 per acre.</p> <p>Based on the above information these soils do not meet the current DNRC's breaking policy due to the sandy soils, T Factor ratings, and WEG ratings. Breaking these soils could cause significant negative impacts to Project soils. In addition, the historically low average rate of return on the Project site indicates soils are not suitable for crop production. Therefore,</p>

¹ "Farmland of statewide importance includes areas of soils that nearly meet the requirements for prime farmland and that economically produce high yields of crops when treated and managed according to acceptable farming methods" (NRCS-USDA).

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

	Alternative C will no longer be considered as a feasible option and will not be referenced for the remainder of this Environmental Assessment.
<p>5. WATER QUALITY, QUANTITY AND DISTRIBUTION:</p> <p>Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality?</p>	<p>[N] There is an ephemeral drainage adjacent to the Project footprint, that flows north towards Lake Elwell during spring runoff and high precipitation events. With the implementation of husband like grazing practices and compliance with DNRC AUM carrying capacity, cumulative impacts on water quality are not expected.</p>
<p>6. AIR QUALITY:</p> <p>Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)?</p>	<p>[N] There are no nonattainment areas located on or near the Project per the Environmental Protection Agency (EPA) Nonattainment area maps (NEPAssist, 2020). Project activities are not expected to result in increased pollutants or particulates in the air and therefore, cumulative impacts on air quality are not expected.</p>
<p>7. VEGETATION COVER, QUANTITY AND QUALITY:</p> <p>Will vegetative communities be permanently altered? Are any rare plants or cover types present? <i>What is the existing vegetation?</i></p>	<p>[N] Vegetation within the Project footprint consists of an established stand of tame grass species (expired CRP). A site visit conducted by DNRC staff on 11/6/2020 determined the expired CRP acreage consists of alfalfa (<i>Medicago sativa</i>), slender wheatgrass (<i>Elymus trachycaulus</i>), crested wheatgrass (<i>Agropyron cristatum</i>), and Canada thistle (<i>Cirsium arvense</i>).</p> <p>The surrounding land on state lease no. 921 is classified as grazing land (122.63 acres). A field evaluation conducted by DNRC staff on 7/27/2020 determined the grazing land consists of western wheatgrass (<i>Pascopyrum smithii</i>), green needle (<i>Nassella viridula</i>), winterfat (<i>Krascheninnikovia lanata</i>), blue grama (<i>Bouteloua gracilis</i>), Sandberg bluegrass (<i>Poa secunda</i>), prairie junegrass (<i>Koeleria macrantha</i>), threadleaf sedge (<i>Carex filifolia</i>), needle and thread (<i>Hesperostipa comata</i>), fringed sagewort (<i>Artemisia frigida</i>), and silver sagebrush (<i>Artemisia cana</i>). Invasive grasses include crested wheatgrass (<i>Agropyron cristatum</i>), foxtail barley (<i>Hordeum jubatum</i>), and cheatgrass (<i>Bromus tectorum</i>). The field evaluation rated the soil sites "Silty" as 64% of the climax composition and the "Overflow" site as 67% of the climax composition. AUMs for this vegetation community was set at 33 for the next 10-years.</p> <p>Moderate grazing will not impact the vegetative community and with ARM 36.25.121(1) cumulative negative impacts to vegetation are not expected. In addition, reclassifying the Project to be uniform (1 land class with 1 use) is beneficial to the DNRC for management purposes.</p>
<p>8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:</p> <p>Is there substantial use of the area by important wildlife, birds or fish? <i>What wildlife resources</i></p>	<p>[N] The Project site is not considered Critical Habitat per the EPA (NEPAssist 2020). The tract provides habitat for a variety of big game species, predators, upland game birds, ground-nesting birds,</p>

II. IMPACTS ON THE PHYSICAL ENVIRONMENT

<p><i>use or occupy the area?</i></p>	<p>and small mammals. Moderate grazing will not impact habitat and with ARM 36.25.121(1) cumulative negative impacts to habitat are not expected.</p>
<p>9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Sensitive Species or Species of special concern?</p>	<p>[N] The Natural Heritage Program identifies the hoary bat (<i>Lasiurus cinerius</i>), little brown myotis (<i>Myotis lucifugus</i>), grizzly bear (<i>Ursus arctos</i>), Ferruginous hawk (<i>Buteo regalis</i>) loggerhead shrike (<i>Lanius ludovicianus</i>), brewer's sparrow (<i>Spizella breweri</i>), plains hog-nosed snake (<i>Heterodon nasicus</i>), greater short-horned lizard (<i>Phrynosoma hernandesi</i>), and great plains toad (<i>Anaxyrus cognatus</i>) as species of concern in Township 30N., Range 03E.</p> <p>Although endangered species occur in this region critical habitats or endangered species were not identified within the Project footprint, therefore, cumulative impacts on endangered species are not expected.</p> <p>The National Wetland Inventory did not identify a wetland within the Project footprint. The ephemeral drainage adjacent to the Project is classified as Freshwater Emergent Wetland with a classification code of PEM1AH. For a complete description of wetland, classification codes go to https://www.fws.gov/wetlands/data/Mapper.html.</p> <p>Project activities are not expected to affect the identified wetland adjacent to the Project footprint, and therefore, cumulative effects on limited resources are not expected.</p>
<p>10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present?</p>	<p>[N] A Class I (literature review) level review was conducted by the DNRC staff archaeologist for the area of potential effect (APE). This entailed inspection of project maps, DNRC's sites/site leads database, land use records, General Land Office Survey Plats, and control cards. The Class I search revealed that no cultural or paleontological resources have been identified in the APE. Because the area of potential effect was previously cultivated, no additional archaeological investigative work will be conducted in response to this proposed development. However, if previously unknown cultural or paleontological materials are identified during Project related activities, all work will cease until a professional assessment of such resources can be made.</p>
<p>11. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light? Are there notable aesthetic features on the tract?</p>	<p>[N] The Project is located app. 30 miles northeast of Conrad, Montana. The Project will not result in any above-ground structures, change in the landscape, and/or noise impacts will not increase in this area as a result of the Project. Therefore, impacts to visual and noise resources are not expected.</p>
<p>12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY: Will the project use resources</p>	<p>[N] CRP may be a limited resource for wildlife populations in the area. CRP provides habitat for a</p>

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that are limited in the area? Are there other activities nearby that will affect the project?	variety of big game species, predators, upland game birds, ground nesting birds, and small mammals. Moderate grazing will not impact habitat and with ARM 36.25.121(1) cumulative negative impacts to habitat are not expected.
13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract?	[N] Surrounding lands are owned by private landowners and state and federal agencies with a mixed surface use of agricultural grain production, grazing, and recreational use (Lake Elwell). Any future development in the area will likely be restricted to these types of land uses and perhaps utility development, with non-significant impacts to the surface. Future development projects are not expected to have negative cumulative impacts.

III. IMPACTS ON THE HUMAN POPULATION

RESOURCE	[Y/N] POTENTIAL IMPACTS & CAPABILITY CHARACTERISTICS
14. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area?	[Y] Any risk to human health and safety will be restricted to the Lessee or individual performing the ranching activities. Farming and ranching activities can increase the ranchers or farmers exposure to pesticides that are used for managing weeds, respiratory diseases, noise-induced hearing loss from loud machinery, and skin disorders from working long hours in the sun. Farming and ranching activities have the potential to increase exposure to health hazards, however, if the personnel involved with the Project activities employ prevention measures it is not expected to result in cumulative impacts on health and safety.
15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities?	[Y] Current land use on lease no. 921 consists of 517.37 expired CRP acres and 122.63 grazing acres. If the Project proceeds with Alternative A, lease no. 921 would increase from 33 AUMs to 396 AUMs (stocking rate of 0.7 AUMs/AC) for the first three-years of grazing activity and then decrease to 240 AUMs (stocking rate of 0.4 AUMs/AC) after three years. Per ARM 36.21.110(3) : The minimum annual rental rate per AUM is the weighted average price per pound of beef cattle on the farm in Montana as determined by Montana National Agricultural Statistics Service of the U.S. Department of Agriculture (USDA Nass) for the previous year, multiplied by: <div style="margin-left: 40px;"> (a) 8.13 in calendar year 2012; (b) 8.72 in calendar year 2013; (c) 9.03 in calendar year 2014; (d) 9.89 in calendar year 2015; and (e) 10.48 in 2016 and all calendar year thereafter. </div> The 8-year average minimum grazing rate is \$11.07/AUM. Based on the average minimum grazing rate the Project

	<p>could result in an average annual payment of \$4,383.7 (396 AUMs X \$11.07/AUM) for the first 3 years and \$2,656.8 (240 AUMs x \$11.07/AUM) thereafter. In this next year, the 2021 minimum grazing rate was determined to be \$13.41/AUM which would result in an annual payment of \$5,310.36 (396 AUMs X \$13.41/AUM). If the Project proceeds with Alternative B the production of lease no. 921 would be an average annual payment of \$365.31 (33 AUMs X \$11.07/AUM) and with this next year (2021) an annual payment of \$442.53 (33 AUMs X \$13.41).</p> <p>Project activities will have a beneficial effect on the lessee ranching operations. Positive impacts on area agriculture are expected. In addition, grazing aligns with the Lessee's operational goals for the future and is the preferred form of use of the lease.</p>
<p>16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number.</p>	<p>[N] The Project will not result in any new jobs nor eliminate any, therefore cumulative effects to the employment market are not expected.</p>
<p>17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?</p>	<p>[Y] See Section 15 above. The Project will add to tax revenues due to the revenue generated by general ranching and grazing activities. Negative cumulative impacts on tax revenues are not expected.</p>
<p>18. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed?</p>	<p>[N] Project activities on the tract are not expected to impact traffic or increase the demand for government services, and therefore, it is not expected to have negative cumulative impacts on them.</p>
<p>19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?</p>	<p>[N] The DNRC classifies and reclassifies state land in accordance with its capability to support a particular use. The following classes are established in accordance with 77-1-401, MCA:</p> <ul style="list-style-type: none"> (a) Class 1 shall be grazing land (b) Class 2 shall be timber land (c) Class 3 shall be agricultural land (d) Class 4 shall be cabin sites and land uses other than grazing, timber or agricultural. <p>Reclassification of land, if to occur, is not expected to affect the Project and therefore cumulative impacts are not expected.</p>
<p>20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is the land legally accessible and is there recreational potential within the tract?</p>	<p>[N] The Project is located on legally accessible land via Liberty County Line Road. Recreation potential consists of hunting, hiking, birding, etc. Grazing activities will not alter the recreational opportunity on the Project site and therefore, cumulative negative impacts are not expected.</p>
<p>21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?</p>	<p>[N] The Project will not require additional housing and is not expected to have cumulative impacts on population and housing.</p>
<p>22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or traditional</p>	<p>[N] The Project is located approximately 49 miles southeast of the Blackfeet Indian Reservation,</p>

EA & Reclassification Capability Inventory
State Lease No. 921 of Section 36, T30N., R03E.

lifestyles or communities possible?	approximately 15 miles east of the Camrose Hutterite Colony, and approximately 15 miles northwest of the Riverview Hutterite Colony. No archeological sites were identified within the Project footprint. Given the distances to native and traditional communities, the Project is not expected to impact native or traditional lifestyles or communities.
23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area?	[N] The Project will not result in any new activities to occur in the area and therefore, it is not expected to cumulatively impact the unique quality of the area.
24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:	[Y] The Project will benefit the Common School Trust in terms of a grazing lease on lease no. 921, see Section 15 above. In addition, this area consists of agricultural use, in which, grazing land is a common land use that aligns well with the Lessee's future management plan.

Document Prepared By: Michaela Hanson

Date 11/24/2020

IV. ENVIRONMENTAL ANALYSIS FINDING

25. ALTERNATIVE SELECTED:

Alternative A (Proposed Action): Grant the reclassification request and convert 517.37 acres of agricultural land (Class 3) to grazing land (Class 1).

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

No significant impacts are expected from this reclassification. Soils do not meet DNRC breaking policy and are considered poor quality for agricultural production. Converting to grazing land is considered the highest and best use and will provide higher long-term revenue. Reclassifying the agricultural land to grazing land will help meet the DNRC, TLMD objectives by increasing revenue trust beneficiaries in a sustainable manner.

27. Need for Further Environmental Analysis:

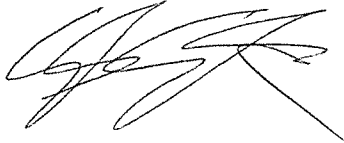
☐ EIS ☐ More Detailed EA ☒ No Further Analysis

Erik Eneboe

Name

Conrad Unit Manager, CLO

Title



Signature

12/10/20

Date

V. RECLASSIFICATION RECOMMENDATION AND APPROVAL

28. Land Office Recommendation, including Highest and Best Use:

Recommend reclassification request and convert 517.37 acres of agricultural land (Class 3) to grazing land (Class 1).

Andy Burgoyne

Name

Trust Lands Program Manager, CLO

Title

Signature

Date

12/14/20

29. Recommendation by Bureau Chief:

Reasons for Recommendation:

Bureau Chief Signature

Date

12/14/20

30. Final Decision on Reclassification by Trust Land Management Division Administrator:

☒ Approve

☐ Deny

Signature





Date

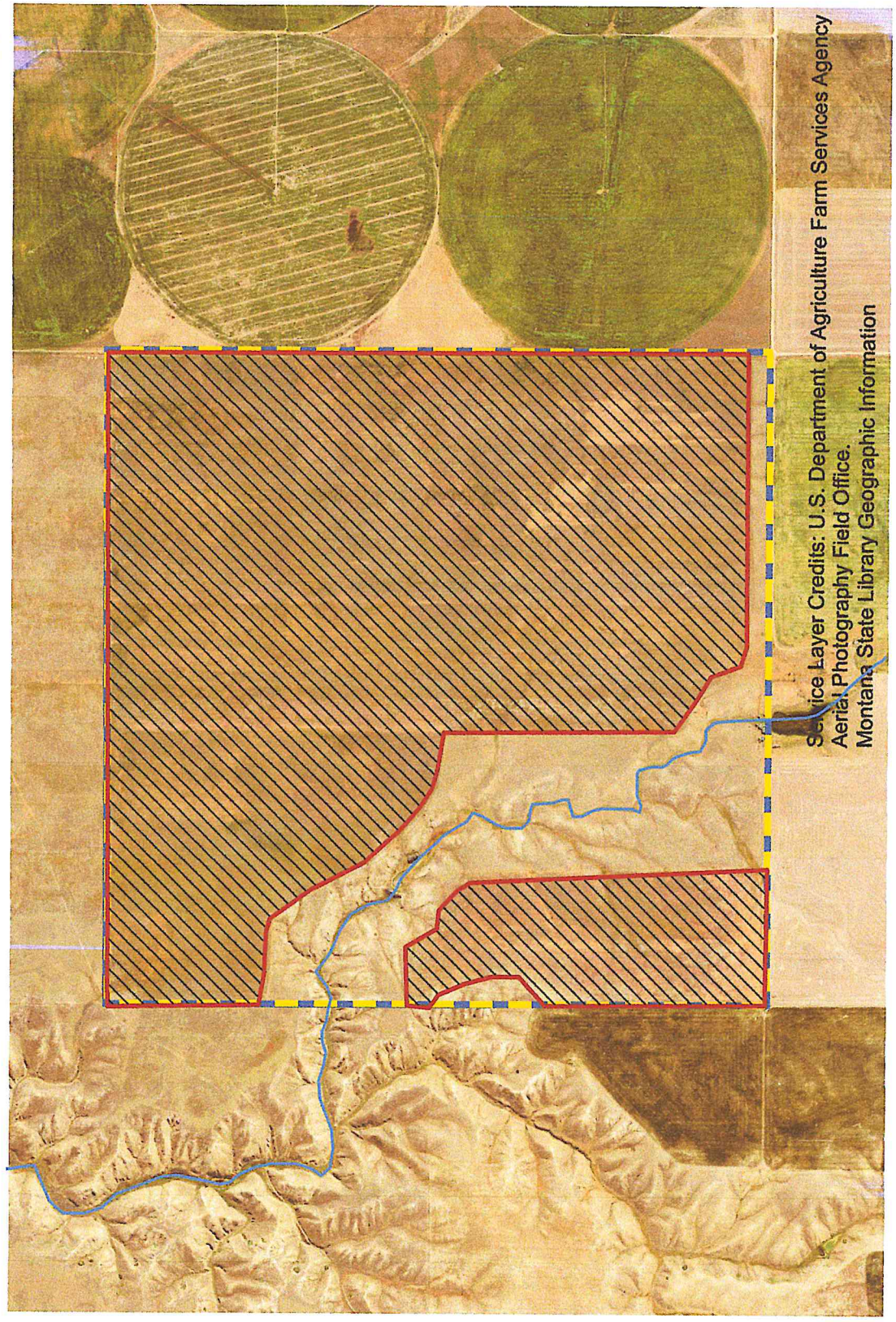
12/15/2020

EA & Reclassification Capability Inventory
State Lease No. 921 of Section 36, T30N., R03E.

Attachment A
Project Location

Reclassification to Grazing Land - Lease 921

- Legend**
-  Reclassification Acres
 -  Active Agreements
 -  State Trust Lands
 -  Ephemeral Drainage to Lake Elwell



Service Layer Credits: U.S. Department of Agriculture Farm Services Agency
Aerial Photography Field Office.
Montana State Library Geographic Information



Date: 11/23/2020

Attachment A Project Location

Location:
Sec. 36, Township 30N., Range 03E.



EA & Reclassification Capability Inventory
State Lease No. 921 of Section 36, T30N., R03E.

Attachment B
Soil Characteristics

Soil Type	~ Acres within Project Footprint	~ Percent of Project Footprint	Fragile Rating	Susceptibility to Compaction	Farmland Classification Summary	Percent Sand	T Factor	WEG
15F	5.6	1.08	Not Rated	High	Not prime farmland	6.9	5	4L
224E	2.5	0.48	Moderately Fragile	Medium	Not prime farmland	39.3	5	4L
28A	10.7	2.07	Moderately Fragile	Medium	Not prime farmland	15	5	6
35B	7.7	1.49	Not Rated	Medium	Farmland of statewide importance	65.2	5	3
364C	32.4	6.26	Not Rated	Medium	Farmland of statewide importance	67.5	5	3
36C	154	29.77	Fragile	High	Farmland of statewide importance	61.1	5	6
37B	96.3	18.61	Not Rated	Medium	Prime farmland if irrigated	34.7	5	6
427B	11.8	2.28	Moderately Fragile	Medium	Farmland of statewide importance	35.4	5	6
441C	31.2	6.03	Moderately Fragile	Medium	Farmland of statewide importance	34.2	5	6
581B	30.6	5.91	Fragile	High	Farmland of statewide importance	7	5	4L
793B	7.07	1.37	Fragile	High	Not prime farmland	39.3	5	6
79B	26.7	5.16	Fragile	High	Prime farmland if irrigated	39.3	5	6
94C	100.8	19.48	Not Rated	Medium	Farmland of statewide importance	69.6	3	3
Totals	517.37	100.00						

15F - lambeth silt loam, 15 to 70 percent slopes
224E - Hillon-Joplin loams, 8 to 25 percent slopes
28A - Nishon clay loam, 0 to 1 percent slopes
35B - Assiniboine fine sandy loam, 0 to 4 percent slopes
364C - Chinook fine sandy loam, 0 to 8 percent slopes
36C - Chinook loam, 0 to 8 percent slopes
37B - Evanston clay loam, 0 to 4 percent slopes
427B - Joplin-Hillon loams, 0 to 4 percent slopes
441C - Kevin-Hillon clay loams, 2 to 8 percent slopes
581B - Ionna silty clay loam, 0 to 4 percent slopes
793D - Yamacall loam, calcareous, 8 to 15 percent slopes
79B - Yamacall loam, 0 to 4 percent slopes
94C - Busby fine sandy loam, 2 to 8 percent slopes

Fragile Soils Summary

Rating	Acres in Project Footprint	Percent of Project Footprint
Fragile	218.37	42.21
Moderately Fragile	56.2	10.86
Not Rated	242.8	46.93
Totals	517.37	100.00

T Factor Summary

Rating	Acres in Project Footprint	Percent of Project Footprint
5	416.57	80.52
3	100.8	19.48
Totals	517.37	100.00

Susceptibility to Compaction Summary

Rating	Acres in Project Footprint	Percent of Project Footprint
Medium	293.40	56.71
High	223.97	43.29
Totals	517.37	100.00

MEG Summary

Rating	Acres in Project Footprint	Percent of Project Footprint
6	337.77	65.29
4L	38.7	7.48
3	140.9	27.23
Totals	517.37	100.00

Farmland Classification Summary

Rating	Acres in Project Footprint	Percent of Project Footprint
Not Prime Farmland	25.87	5.00
Prime Farmland if Irrigated	123	23.77
Farmland of statewide importance	368.50	71.23
Totals	517.37	100.00

Percent Sand Summary

Rating	Acres in Project Footprint	Percent of Project Footprint
1-25%	46.90	9.06
25-50%	175.57	33.94
50-75%	294.90	57.00
75-100%	0.00	0.00
Totals	517.37	100.00

End of Documentation